

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
WESTERN DIVISION

In re:

LUNT SILVERSMITHS, INC.

DEBTOR

Chapter 11

Case No. 09-32228-HJB

**AFFIDAVIT OF TIM K. RIDDLE IN SUPPORT OF DEBTOR'S MOTION FOR ORDER
PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE, FEDERAL
RULES OF BANKRUPTCY PROCEDURE 2002 AND 6004 AND LOCAL RULE 6004-1
(A) AUTHORIZING AND APPROVING ASSET PURCHASE AGREEMENT BETWEEN
LUNT SILVERSMITHS, INC., AS SELLER, AND PROPOSED PURCHASER, WHICH
PROVIDES FOR THE SALE OF CERTAIN PERSONAL PROPERTY OF LUNT
SILVERSMITHS, INC. FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES AND INTERESTS, SUBJECT TO HIGHER AND/OR OTHERWISE
BETTER OFFERS; AND (B) GRANTING RELATED RELIEF**

I, Tim K. Riddle, do hereby depose and state the following:

1. I am the president Reed and Barton Corporation ("Reed and Barton"). I am now, and at all times relevant to the statements made herein have been, over the age of eighteen years old.

2. I make this Affidavit in support the Debtor's motion seeking leave to sell certain of its assets to Reed and Barton free and clear of all liens, claims and encumbrances. Except where expressly indicated to be upon information and belief, I have personal knowledge regarding all matters set forth in this Affidavit. Where indicated to be upon information and belief, the statements so made are, to the best of my knowledge, truthful and accurate.

3. I was the primary contact person for Reed and Barton in the negotiations with Lunt Silversmiths regarding Reed and Barton's acquisition of certain assets of Lunt Industries. The primary contact for Lunt Industries was James Lunt.

4. Neither I, nor Reed and Barton, hold any stock of, or other ownership interest in, Lunt Industries. Upon information and belief, which I believe to be true, no officer, director or shareholder of Reed and Barton is an officer, director or shareholder of Lunt Industries.

5. Reed and Barton is in largely the same industry as Lunt Silversmiths. Both companies are engaged in design and sale of silver products, flatware and giftware for sale into the retail sale market.

6. I learned of the potential for acquisition of Lunt Silversmiths' assets through general industry information. It was believed in the industry that Lunt Silversmiths was experiencing financial challenges and that it, or its assets, may be available for sale. I contacted James Lunt regarding a potential acquisition on more than one occasion. Mr. Lunt indicated an interest in a potential transaction in the Fall of 2009.

7. Representatives of Reed and Barton and representative of Lunt Silversmiths negotiated and documented the terms of the transaction over a number of weeks. Those negotiations started in late September with the circulation of a form of letter of intent. Negotiations were not completed until the execution of the Asset Purchase Agreement that has been filed with this Court in December, 2009. Both Reed and Barton and Lunt Silversmiths were represented by counsel throughout the negotiations.

8. The purchase price that Reed and Barton has agreed to pay for the Lunt Silversmith assets it is acquiring was a major subject, and result of, negotiations.

9. I understand that Lunt Silversmiths has solicited overbids to the purchase proposed by Reed and Barton, including through an e-mail solicitation using the subscribers list of a trade publication. I am a subscriber to that trade publication, and received the solicitation. A true and accurate copy of that solicitation is attached hereto.

10. I have not, and upon information and belief, which I believe to be true, no agent, employee or representative of Reed and Barton have, engaged in any conversations or conduct that would or could control the sale price among potential bidders. I was contacted by one party that identified itself as a potential bidder. I informed that party that I could not discuss the Lunt Silversmiths asset sale with them, and that if they were interested in bidding, they should do so.

Signed under the pains and penalties of perjury this 11th day of February, 2010.

A handwritten signature in black ink, appearing to read 'T. Riddle', written over a horizontal line.

Tim K. Riddle
President
Reed and Barton Corporation

From: HFN [mailto:hfn@macfadden-promo.com]
Sent: Tuesday, January 19, 2010 11:48 AM
To: Riddle, Tim
Subject: Sale of Lunt Silversmiths, Inc.'s Assets

NOTICE OF SALE OF CERTAIN OF THE ASSETS OF LUNT SILVERSMITHS, INC.

PLEASE TAKE NOTICE that in the case of In re Lunt Silversmiths, Inc. ("Lunt"), Chapter 11 Case. No. 09-32228-HJB in the United States Bankruptcy Court for the District of Massachusetts, Western Division, Lunt has entered into an Asset Purchase Agreement ("APA") with Reed and Barton Corporation ("R&B"), under which R&B intends to purchase certain of Lunt's assets, including but not limited to inventory, finished goods, work in process, components, raw materials, spec samples, tools, molds, intellectual property, sales collateral materials, customer and supplier records, and UPC numbers, pursuant to section 363 of the U.S. Bankruptcy Code.

HIGHER AND BETTER OFFERS TO PURCHASE THE ASSETS OF LUNT ARE HEREBY SOLICITED subject to the terms and conditions of the Bidding Procedures Order approved by the Bankruptcy Court. The deadline for submission of offers is February 8, 2010 at 4:30 p.m. (EST). All offers must comply with the terms of the Bidding Procedures Order. The (i) Bidding Procedures Order, (ii) APA and (iii) Notice of Auction and of Intended Private Sale of Property, Solicitation of Counteroffers are available for download in pdf format from the Shatz, Schwartz and Fentin, P.C. website, www.ssfpc.com. By clicking the "Pleadings/Downloads" button on the left hand side of the home page, the user will be taken to another page within the website from which the above-referenced documents can be downloaded for free.

To unsubscribe, please [click here](#)

HFN, 733 Broadway Ave, 11th Floor, New York, NY 10001

***The information contained in this message may be CONFIDENTIAL and is for the intended addressee(s) only. Any unauthorized use, dissemination of the information contained within, or copying of this message is strictly prohibited. If you are not the intended recipient, please notify the sender immediately and delete this message.